

Tom Munson - Atlas Mining Company Receives \$2 Million Funding Commitment to Develop Utah Mine

From: "Wayne Jenkins" <wjenkins@irspecialists.com>
To: <irspecialists@irspecialists.com>
Date: 02/18/2003 12:19 PM
Subject: Atlas Mining Company Receives \$2 Million Funding Commitment to Develop Utah Mine

Please find below a press release from Atlas Mining Company. Established in 1924, Atlas is a publicly traded company that is developing the Dragon Mine property in Juab County, Utah. The Dragon Mine shaft is approximately 450 feet deep and was originally used to access clay deposits located at greater depths. The original mine was closed in 1977. However, geologists have estimated that there may be over a million tons of halloysite clay remaining in the Dragon Mine deposit.

I believe that today's press release is newsworthy for two reasons. First, it is extremely difficult for small public companies to raise capital in the current economic environment. The fact that this company was able to attract \$2M for the Dragon Mine project from an East Coast institutional funding source is impressive.

Second, this investment will allow Atlas to begin production of halloysite clay at its Dragon Mine site. This will make it **the only commercial producer of halloysite outside of New Zealand**. Halloysite is used in a growing number of industries, ranging from traditional uses, such as fine china, to more modern uses in high tech ceramic applications. Its unique properties, including fine particle size and exceptional whiteness, are attracting more researchers who are discovering more and more uses for this product.

Today's press release can also be viewed at Yahoo Finance at the address below:
http://biz.yahoo.com/bw/030218/180525_1.html

If you have any questions about Atlas Mining Company, please feel free to contact me at the number below. You are also free to contact Atlas CEO Bill Jacobson directly at (406) 327-9919

Best Regards,

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Atlas Mining Company Announces Funding Commitment of \$2 Million Dollars

Tuesday February 18, 11:12 am ET

OSBURN, Idaho--(BUSINESS WIRE)--Feb. 18, 2003--Atlas Mining Company (OTCBB:[ALMI](#) - News) is pleased to announce that it has secured a \$2.0 million funding commitment from an institutional investor, IGI Capital Management, LLC, of Stamford, CT.

The investment will allow the Company to begin production and sales of halloysite clay from its Dragon Mine operation.

The total funding package comes to \$2 million and has two components. The first \$1 million was provided through the sale of 10 million shares of common stock governed under rule 144. The second \$1million will come from a convertible

two-year promissory note with a one percent annual interest rate. The note is convertible to common stock at the end of two years at the rate of five common shares for each dollar owed. The first \$250,000 of the \$2 million commitment has already been disbursed. The remaining amount will be provided after completion of the due diligence process.

William Jacobson, president of Atlas Mining Company, stated: "This investment satisfies our needs for capital and will allow us to bring our halloysite clay property into production in the very near future. We believe that our ability to attract an equity investment on such good terms is a strong statement regarding our excellent prospects for success." Jacobson went on to say, "We considered several term sheets. However, our first priority was to find a partner and investor who can help us reach our goals with minimal dilution to our current shareholders. This transaction gives us the best possible upside with the least amount of dilution."

In order to meet the initial demand identified by our product distributors Atlas will begin work immediately to develop the halloysite deposit in Juab County, Utah.

Dimitri Hotimski, fund manager for IGI Capital Management, added: "We believe that Atlas Mining has all the right ingredients for success: an absolutely unique product and effective management that can produce that product. We are very pleased to be a part of the Atlas team and look forward to helping the company realize its growth potential."

About Atlas Mining Company

Atlas Mining Company is an exploration stage natural resource and mining company. The company's main interest is the halloysite clay property in Juab County, Utah. However, it also has mining and timber properties located in Shoshone County, Idaho, as well as an underground mining contracting business. This notice does not constitute an offer of any securities for sale.

Safe Harbor Statement -- As a cautionary note to investors, certain matters discussed in this press release may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such matters involve risks and uncertainties that may cause actual results to differ materially, including the following: changes in economic conditions; general competitive factors; the Company's ability to execute its business model and strategic plans; and the risks described from time to time in the Company's SEC filings.

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